

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

JOANN INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-10068 (CTG)

(Jointly Administered)

Hearing Date: July 31, 2025, at 9:30 a.m. (ET)

Re: Docket Nos. 760, 823, 930, and 943

**STIPULATION OF FACTS BETWEEN BURLINGTON STORES, INC.,
AND PROGRESS SQUARE PARTNERS LIMITED PARTNERSHIP AND
DC COTTON MILL, LLC, AS TENANTS IN COMMON**

Burlington Stores, Inc.² (“Burlington”), and Progress Square Partners Limited Partnership, an Oregon limited partnership, and DC Cotton Mill, LLC, a California limited liability company, as tenants in common (collectively, the “Washington Landlord”) agree to the following stipulated facts with respect to the July 31, 2025 hearing on the *Amended First Notice of Assumption and Assignment of Certain Executory Contracts and Unexpired Leases* [Docket No. 930] (the “Assignment Notice”) and Docket Nos. 823 and 943 (the “Washington Objection”), regarding the assumption and assignment of the Debtors’ commercial real property lease for their Store #2329 located at 720 W. Telegraph Street, Washington, Utah (the “Washington Lease”):

A. Cotton Mill II is a shopping center of approximately 155,603 square feet located in Washington, Utah, a suburb of St. George.

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: JOANN Inc. (5540); Needle Holdings LLC (3814); Jo-Ann Stores, LLC (0629); Creative Tech Solutions LLC (6734); Creativebug, LLC (3208); WeaveUp, Inc. (5633); JAS Aviation, LLC (9570); joann.com, LLC (1594); JOANN Ditto Holdings Inc. (9652); JOANN Holdings 1, LLC (9030); JOANN Holdings 2, LLC (6408); and Jo-Ann Stores Support Center, Inc. (5027). The Debtors' mailing address is 5555 Darrow Road, Hudson, Ohio 44236.

² Burlington Stores, Inc. is the parent of the designated Buyer, Burlington Coat Factory Warehouse Corporation, for the Leases (as defined herein) listed in Schedule 2 attached to the Assignment Notice.

B. The Debtor's tenancy at Cotton Mill II began through a consensual assignment by the tenant "Provo Craft and Novelty, Inc." of an existing lease dated October 23, 2006 (the "Original Lease," and together with any amendments or modifications, the "Lease"). The Original Lease defined the Permitted Use in Article I which states that

"[t]enant may use the Premises for the operation of a retail 'craft store', which sells arts and crafts, art supplies, craft supplies, picture frames and/or picture framing services, artificial flowers and/or plants, artificial floral and/or plant arrangements, and wedding and/or party goods."

Article 5.1 of the Original Lease provided "Tenant shall not use nor permit the Premises to be used for any other purpose or purposes or under any other trade name whatsoever without the prior written consent of Landlord, which consent shall not be unreasonably withheld." Portions of the Original Lease were amended by a Second Amendment dated February 29, 2012, referenced in the following paragraph.

C. When the Original Lease was assigned to the Debtor, the parties entered into a Second Amendment dated February 29, 2012 (the "Second Amendment") which acknowledged Debtor's registered trade name as "Jo-Ann Fabric and Craft Stores", and amended Article 1 to delete in its entirety the Permitted Use definition in the Original Lease and replaced it with the following:

"Tenant may use the Premises for the sale of any of the following: bolted and/or unfinished fabrics of any kind, fabrics sold by the yard, upholstery materials, fabrics with patterns, knitting supplies, needlepoint supplies, macrame supplies, artificial flowers, all types of arts and crafts materials and supplies (including jewelry arts and crafts), framed artwork; custom framing, scrapbooks and scrapbooking supplies and materials, yarns and all types of notions used for knitting, sewing, needlepoint and upholstery, sewing machines, sewing machine furniture, fabric care items and products, accessories and services related to all of the foregoing and other items and services customarily offered for sale by a fabric and arts and crafts store."

The Lease remains subject to Article 5.1, which prohibited uses or trade names other than those identified in Article I without the Landlord's prior consent.

D. The Landlord subsequently entered into a lease effective November 2, 2021 with Ross Dress for Less (the "Ross Lease") which provides, "Without the prior written consent of [Ross], which consent may be withheld in the absolute and sole discretion of [Ross], no tenant or occupant of Landlord's Parcel (other than [Ross]) may use, and Landlord, if it has the capacity to do so, shall not permit any other tenant or occupant of Landlord's Parcel to use more than ten thousand (10,000) square feet of Leasable Floor Area of its premises for the Off Price Sale of merchandise." Ross Lease, Section 15.3(a). The Ross Lease definition of "Off Price Sale" references Burlington as an example of an Off-Price Sale retailer.

E. Section 15.3(b) of the Ross Lease further states that "the restrictions set forth in Section 15.3(a) shall *not* apply to ... (ii) Existing Tenants (as that term is defined therein) who, in accordance with the terms of existing leases ... in effect on the Effective Date, cannot be prohibited from so operating, but only for the balance of the term(s) of such existing lease(s)..." (emphasis added). It further states that "Landlord covenants and agrees that if Landlord has the right to consent to a change in use of the premises occupied by any such Existing Tenant, Landlord shall not consent to a change in use of the premises which violates the restrictions set forth in Section 15.3(a)." (See, *Ross Lease*, Section 15.3(b)). Jo-Ann Fabric and Craft Stores was an Existing Tenant on the Effective Date of the Ross Lease.

F. The Second Amendment contains a Use Restriction provision which replaces Exhibit F of the Original Lease in its entirety. The Use Restriction provision catalogues the various exclusives and prohibited uses to which the Lease is expressly subject. Exhibit F to the Second Amendment does not mention Ross or "off price" retailers.

STIPULATED AND AGREED ON JULY 30, 2025:

/s/ Marcy J. McLaughlin Smith

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